

Executive Summary

1. Introduction

When the Department of Defense sponsors a Federally Funded Research and Development Center (FFRDC), the Federal Acquisition Regulation (FAR) and the Department of Defense (DoD) FFRDC Management Plan require a periodic review of the continuing use and need for the FFRDC. Based on that review, DoD may decide to continue to sponsor the FFRDC, to transfer the sponsorship to another Government agency, or alternatively to phase out the relationship. The Department of the Navy (DoN) is the primary sponsor of the Center for Naval Analyses (CNA) FFRDC. The current contract for DoN to operate the CNA FFRDC is valid through 30 September 2015. Prior to contract renewal, the DoN performed a Comprehensive Review to determine whether the government will have a continuing need for the CNA FFRDC for the period 1 October 2015 through 30 September 2020.

2. Background

CNA traces its origins to 1942, when the predecessor of today's CNA, the Operations Evaluation Group (OEG), provided DoN with a cadre of scientists who delivered on-site analysis that was instrumental in tracking and detecting U-boats during World War II. Due in part to the unique and unparalleled support provided by these scientists, it became apparent that the worlds of the warfighter and the scientist were complimentary and necessary to one another. Based on this strong, historical relationship, DoN established the modern-day CNA as a studies and analyses FFRDC to provide access to private sector scientific knowledge in support of DoN and other DoD decision makers. CNA is the only FFRDC sponsored by DoN. As such, CNA enjoys a special relationship with the DoN, having access beyond that which is common to the normal contractual relationship, to government and supplier data, including sensitive data and proprietary data, and to employees and facilities. Therefore, CNA must conduct its business in a manner befitting this special relationship, operate in the public interest with objectivity and independence, be free from organizational conflicts of interest, and fully disclose its affairs to the DoN. Finally, CNA operates in a manner consistent with its mission to provide independent, authoritative research, analysis and technical support with the highest standards of scientific integrity and competence.

3. Methodology for Performing the CNA FFRDC Comprehensive Review

The Comprehensive Review was conducted in accordance with the general guidelines set forth in the following policy documents:

- Federal Acquisition Regulation 35.0 17-4; Reviewing FFRDC's
- DoD Federally Funded Research and Development (FFRDC) Management Plan

The Comprehensive Review addresses the following areas of interest to DoN as CNA's primary sponsor:

- Major contributions provided to their sponsors;
- Ability to maintain a high quality research program, characterized by objectivity, independence, quick response capabilities, currency in core competencies, and familiarity with sponsor's needs; and
- Steps that CNA has taken to ensure DoN receives the "best value" for its funding, including cost management practices and accomplishments.

4. Overview of Items Examined in the CNA FFRDC Comprehensive Review

Tab A provides an introduction to the role of DoD-sponsored FFRDCs and their long-term government investment as a unique source for research, systems engineering and analysis. FFRDCs, by their very nature, demand a strategic relationship with their sponsors and users that foster: (1) An indepth knowledge of programs and operations; (2) Maintenance of continuity and current in special fields of expertise; (3) Objectivity and independence; and (4) The capability to respond to sponsors' emerging needs.

Tab B examines DoNs technical needs and mission requirements. As stated in Section 35.017.4 (c) (1) of the Federal Acquisition Regulation, an examination of sponsors and major users' special technical needs and mission requirements is conducted. It also requires a determination on whether these needs are being met and at what level they should continue to exist. To determine the technical needs and mission requirements of the DoN that are served by CNA, each Product Area Manager (PAM) evaluated their current and future requirements. The PAM's responses confirm the continued need for CNA's technical and analytical support for the next five years.

Tab C assesses alternative sources used to meet DoD technical requirements. The over-arching requirement for the DoN is for an organization to provide analytic capability in the areas of warfighting and warfighting support. The special skills, competencies, and capabilities required to accomplish these tasks must adapt to reflect the changes in the technological environment, new security environment, DoD transformation, and budgetary constraints. This support must be knowledgeable, technically skilled, and structured to provide unbiased technical advice for a wide range of DoD issues. The work must address issues of both long-term and immediate concern, and often requires privileged access to information, including sensitive government information and industry proprietary data not normally available to non-government organizations.

Tab D addresses the efficiency and effectiveness of CNA in meeting the sponsor's and DoN leadership's major needs as required by FAR 36.017-4 (c) (3). TAB D also evaluates CNA's ability as an FFRDC to maintain its objectivity, independence, quick response capability, currency in its respective fields of expertise, ability to provide

analytical support, both in Washington and at DoN field commands around the world, and familiarity with the needs of its sponsors.

Tab E provides an in-depth examination of CNA's management and cost effectiveness. The purpose of this tab is to discuss the management oversight structure of CNA which actively involves participation of DoN and CNA representatives who work together towards this common goal.

Tab F discusses the establishment criteria and sponsorship agreement which ensures that: (1) The continuation of CNA as an FFRDC is consistent with the FAR's criteria for establishing an FFRDC; (2) The sponsoring agreement complies with the FAR and the DoD Management Plan; and (3) The sponsoring agreement accurately reflects the FFRDC's mission and core work statement. The DoN's review considered whether the current sponsoring agreement complied with the provisions of FAR 35.017-1 and the DoD FFRDC Management Plan.

5. Findings and Conclusions

- There is a continuing need for the CNA FFRDC for the period FY 2015 through FY2020 based upon users' technical needs and mission requirements.
- Guidance for determining the work that can be assigned to the CNA FFRDC is well defined. Procedures employed to ensure that the FFRDC performs only appropriate work are adequate, and alternative sources (e.g., in-house personnel, for-profit organizations, not-for-profit organizations, university-affiliated organizations, or another FFRDC) cannot provide the same services as effectively as the CNA FFRDC.
- CNA has maintained its objectivity, independence, quick response capability, familiarity with the sponsors' needs, and currency in its core competencies and continues to provide its sponsors with fully informed, objective, conflict-free, state of the art advice. In addition, assessment procedures and practices are adequate and provide convincing data that the FFRDC is operating efficiently and effectively.
- CNA continues to be a cost-effective and efficient operation. This is primarily due to CNA's management oversight structure of CNA which actively involves the participation of the DoN and CNA representatives who work together towards this common goal.
- The criteria for establishing the CNA FFRDC remain satisfied, and the current sponsorship agreement is in full compliance with FAR and DoD FFRDC policies.

6. Recommendations

That the Assistant Secretary of the Navy (Research, Development and Acquisition) (ASN (RD&A)), on behalf of the Department of the Navy, the primary sponsor of the CNA FFRDC:

1. Approve this Comprehensive Review, which reaffirms the continued need for the CNA FFRDC for the five-year period beginning 1 October 2015 and ending 30 September 2020.
2. Reaffirm the continuation of the sponsorship agreement for the DoN to operate the CNA FFRDC for the period beginning 1 October 2015 and ending 30 September 2020.

ASN (RD&A) Decision:



Concur with both recommendations:

concur



Tab A: Introduction

Department of Defense (DoD)-sponsored Federally Funded Research and Development Centers (FFRDCs) generally represent a long-term government investment in a unique resource for research, systems engineering and analysis. FFRDCs perform research that is accord with: 1) The FFRDC's mission, purpose and capabilities; 2) DoD needs as reflected in the FFRDC's core competencies (in the case of the Center for Naval Analyses (CNA), incorporated as the Statement of Work (SOW) in the basic contract); and 3) The strategic relationship between the FFRDC and its sponsors. Work is certified as not being performed as effectively by existing in-house, other not-for-profit, or for-profit contractor support. FFRDCs are outside the government to permit the management flexibility and the access to essential government information necessary to attract the highest caliber of scientists, engineers, and other highly skilled professionals to provide an independent perspective on the critical issues that are of the utmost importance to their government sponsors. FFRDCs are required to conduct business in the public interest with objectivity and independence and to be free of organizational conflict of interest.

a. Strategic Relationship

FFRDCs, by their very nature, demand a strategic relationship with their sponsors and users that foster: 1) An in-depth knowledge of programs and operations; 2) Maintenance of continuity and currency in special fields of expertise; 3) Objectivity and independence; and 4) The capability to respond to sponsors' emerging needs. FFRDCs, due to the nature of their work, require access to government and contractor information, often of a sensitive or proprietary nature, that is beyond what is common to normal contracting relationships.

b. CNA's Mission and Budget Justification

As the DoN's only FFRDC, CNA provides independent, objective, and expert analyses based on its unique access to sensitive data and hands-on exposure to fleet operations gained through its world-wide field program. CNA's research program is centrally funded by Program Element 0605154N and is primarily concentrated along Navy and Marine Corps research categories called product areas. These product areas are structured to enhance CNA's focus of research and analysis upon the major present and future needs and issues of the Navy and Marine Corps. Because of rapid advances in technology, changes in the fleet, the increasing complexity of weapon systems, and reductions in manpower, force structure, budgets, the current security environment, and DoD transformation, the Navy and Marine Corps have a greater need for analyses that are sophisticated, relevant, and timely. CNA is highly qualified to meet that need.

c. Overview

Each of the following sections addresses specific Comprehensive Review requirements described in the Federal Acquisition Review (FAR) Section 35.017 and Appendix E of the DoD FFRDC Management Plan:

Technical Needs and Mission Requirements:

A detailed examination of the sponsor's unique technical needs and mission requirements that are performed by the FFRDC to determine if and at what level they continue to exist.

Alternative Sources:

A robust examination of alternative sources to meet the sponsor's various needs. Alternatives sources address in-house government personnel, for-profit and not-for-profit contractors, university-affiliated organizations, and even other FFRDCs who could provide the essential services as effectively.

Efficiency and Effectiveness:

An examination of the FFRDC in meeting the needs of its sponsors and DoN leadership. CNA's ability as an FFRDC is also examined to determine how it maintains its objectivity, independence, quick response capability, currency in its respective fields of expertise, and ability to provide analytic support, both in Washington and in DoN field commands around the world.

Management:

An assessment of the adequacy and success of the FFRDC management in ensuring a cost-effective operation.

Establishment Criteria and Sponsorship Agreement:

An examination and determination that the criteria for establishing the FFRDC continues to be satisfied and that the sponsorship agreement is in compliance with government regulations.

Cost-Effective Operation:

CNA's contributions to the DoN, as assessment of CNA's ability to maintain a high-quality research program, and a summary of the steps taken to ensure that DoN receives the "best value" for its funding.

Tab B: Technical Needs and Mission Requirements

The purpose of this tab is to examine the special technical needs and mission requirements of the CNA sponsors and major users of the FFRDC. It assesses whether or not these needs are being met and at what level they should continue to exist. The review identifies specific programs involved, the level of effort required, and the type of tasks the FFRDC will perform.

The technical needs and mission requirements addressed by CNA grew from evolving DoN strategies as well as policies and objectives that respond to trends in military warfare. As such, the review assesses strategies and guidance to determine the role for CNA through FY20.

Section 35.017-4 (c) (1) of the Federal Acquisition Regulation (FAR) requires an examination of sponsors' and major users' special technical needs and mission requirements. It also requires that a determination be made on whether these needs are being met and at what level they should continue to exist. To determine the technical needs and mission requirements of the DoN that are served by CNA, each Product Area Manager (PAM) evaluated their current and future requirements. The PAM's responses confirm the continued need for CNA's technical and analytical support for the next five years (FY15-FY20).

The mission of the DoN requires CNA to support higher-level guidance disseminated by the President of the United States, the Secretary of Defense, and the Joint Chiefs of Staff with Navy's Planning, Programming, Budgeting and Execution (PPBE) process with the intent to inform Navy investments to effectively and efficiently organize, train, and equip the Navy in support of the Joint Force, Joint Force commanders, and Navy component commanders.

CNO focus areas of great importance include Cyber EW, Unmanned Systems, Undersea dominance, Arctic, and Navy-USMC Integration. A key theme is that strategic speed and flexible capability are highly valued by the Joint Force, and both are derived from force posture, force packaging, reach, surge, and speed of sensing, command and control including decision making, as well as speed of weapons and platforms. Distributed, networked operations as an overarching global Navy concept that enables Navy forces and capabilities to be employed efficiently at all levels of warfare are key. Strategic, operational, and tactical warfare are of great interest.

CNO Tenets in recent guidance to the Navy:

Warfighting First: Be ready to fight and win today, while building the ability to win tomorrow.

Operate Forward: Provide offshore options to deter, influence and win in an era of uncertainty.

Be Ready: Harness the teamwork, talent and imagination of our diverse force to be ready to fight and responsibly employ our resources.

With these top level goals in mind, CNO requires the innovative, unparalleled research provided by CNA's program of research. Research product areas for the DoN's current and future requirements include:

a. Research, Development and Acquisition (ASN, RDA):

The purpose of the RDA product area is to conduct analysis to assist ASN (RDA) in the oversight of the DoN Research, Development, Test, and Evaluation (RDT&E) and procurement portfolios and the acquisition of technologically superior and affordable systems. These products allow the operating forces, in support of the Unified Commanders, to train, to deter conflict and, if required, to fight and win. RDA requires in-depth analysis of the DoN's Science and Technology (S&T), development, procurement, and Test and Evaluation (T&E) funding/efforts and its acquisition processes, in order to ensure adequate investment in acquisition, while maintaining a technological edge and ensuring interoperability between the systems the DoN procures. Rapid advances in technology, changes in fleet structure, increasing complexity of weapons systems, manpower and budgetary factors, and the changing security environment require the need for timely and sophisticated analyses. Research projects in the RDA product area focus on the DoN's acquisition processes and providing senior ASN (RDA) leaders with the information required to make informed decisions regarding RDT&E and procurement, as well as maintaining the critical balance between acquisition and Total Ownership Costs. This will include analysis of the RDT&E portfolio and investment strategies, evaluation of the DoN's uniformed, civilian and contractor scientific and acquisition workforces, analyses of ways to improve these processes, and evaluations to improve and ensure the interoperability of DoN systems. The product area also covers the development and analysis of long-term concepts and strategies for science and technology, as well as S&T, development, procurement and T&E initiatives to support DoN force modernization, transformation, and recapitalization objectives. RDA also requires analyses relating to the industrial base, acquisition metrics such as score card evaluation and earned value management, reduction of Life Cycle Costs, and the use of modeling and simulation (M&S) in the acquisition process. To take maximum advantage of new processes, independent, rigorous, and timely analytical products are required. Some recent studies within the RDA product area and future requirements include:

- Naval Biometrics: Realizing an End-to-End Capability
- Maritime Unmanned Aviation
- Impacts of FCC Frequency Band Selloff
- Review of Naval Acquisition Workforce
- Naval R&D Investment Strategy

b. Manpower/Personnel Medical and Training (MMT)(N1):

The purpose of the MMT product area is to provide analytical products which result in providing the fleet with the right person, in the right place, at the right time. With rapid technological change, scarce resources, a changing economic environment, and the changing security environment, the DoN requires technical skills and analytical expertise for both short-term and long-term analytical products. These analytical products currently and will continue to assist in programmatic, strategic, and budgetary decisions. Within this product area, CNA also maintains several decades worth of historical Navy manpower, personnel, and training data, which provides an essential ingredient to both the short-term and the long-term analytical products.

A majority of the Navy's budget is spent on manpower and manpower support. Private sector competition for personnel requires that the DoN establish and maintain the most efficient and cost-effective policies possible. To that end, the focus of CNA support in the manpower/personnel area has been, and will continue to be, in the areas of manpower requirements analysis, resources analysis, recruiting, retention, compensation, working conditions, manning at sea, diversity, decision support system/model development, and process reengineering. For example, CNA provides quantitative analysis of the various factors affecting recruiting and retention, including those factors that are under Navy's control (i.e., distribution, assignment, compensation, operational tempo, and rotation policies) as well as those that are not (i.e., the civilian economy).

Medical-related projects require analysis which addresses force sizing, optimizing health care delivery, and assessing alternatives for delivering support and specialized services. The field of Navy Medicine is extremely dynamic and often requires a quick analysis of issues.

CNA support in the area of training addresses the development, effectiveness, and efficiency of the personnel supply chain and the training programs within the supply chain. The overarching training goal is to develop tools and to improve training and education so that fewer resources are needed to meet given operational performance parameters. CNA's technical expertise is required to evaluate the efficiency of training pipelines, including both officer and enlisted; evaluate the effectiveness of new technology on the distribution of learning and training; and to develop databases and/or other management information tools to help assess policies and resource allocations within training. The current analytical focus includes:

- Optimized Fleet Response Plan Manpower
- Operational Strength Readiness to Resources
- Readiness and Personnel Fit
- Modeling Unit Manning
- Sea Shore Flow Evaluation
- Identifying the Natural State of Retention in the Navy
- How and When Will the Economy Affect Retention
- Common Variables Impacting Tuition Assistance and Retention

- Impact of GI Bill on Retention
- Balancing Officer Community Manpower Through Market Based Incentives
- Force Management Policy Strategy
- Just-In-Time Waterfront Training
- Cumulative Impact of Required and Directed Training
- Student IA/TPPH
- Acquiring, Maintaining, and Administering Navy MPT&E Data

Future manpower analysis will focus on assisting with a DoN Human Capital Strategy. Human Capital encompasses the costs of acquiring, maintaining, and developing people, including education and training. CNA's expertise will be required to study all aspects of the future fighting force to include transitioning, capturing the "whole" force, defining, shaping, forecasting, paying, manning, developing, and supporting the sailor of the future. Given the growing requirement for quantitative analysis, particularly with ongoing technological changes, CNA's technical and analytical expertise in the areas of operations analysis, systems requirements, resources analysis, program planning, and policy decision-making will be crucial to improving manpower and personnel management.

c. Intelligence, Information, and Networks (IIN)(N2/N6):

Projects in this product area will focus on assessments of alternative combinations of sensors, processes, systems, and networks supporting the tasking, collection, processing, production, dissemination, and protection of information and intelligence to support naval operations. Projects will include assessments of remotely piloted, unattended, and autonomous systems and sensors; efficient network operations; cyberspace operations; intelligence assessments; maritime domain awareness; intelligence, surveillance, and reconnaissance (ISR) issues, system performance requirements, design, and resourcing of ISR; and electronic warfare systems and operational effectiveness. Projects will also focus on over-arching and cross-cutting issues of integration, interoperability, and resource balances of manpower, readiness, and acquisition for Intelligence, ISR, EW, and networks, cyber warfare, and information systems. The Product Area Manager (PAM) for the Intelligence, Information, and Networks Product Area is N2/N6. Some recent projects include:

- Afloat Fleet C5I readiness and alternate material and procedural means to maximize Fleet communications in degraded & denied environments
- Cyber risk assessment and mitigation strategies
- Enabling Navy and Joint IT Cloud Initiatives Afloat and Ashore
- Development of EW capabilities to counter C2 systems
- Impact of persistent ISR TCPED
- Future Integrated Undersea Surveillance requirements and systems
- Offensive Maritime Cyber Operations

d. Plans, Policy, and Operations (PAO) (N3/N5):

Studies in this product area provide analysis on strategic, operational and tactical level issues that impact the planning, execution and assessment of naval operations and naval support to joint and combined operations. Strategy analysis includes how naval forces, within the greater geopolitical context, can be most effectively used to support the objectives of the National Military Strategy; development of regional strategies to determine U.S. naval force presence and posture requirements around the globe; identification of effective ways to build partner capacity, capability and interoperability to enhance local and regional maritime security; and assessments of potential threats to US and allied naval forces. Analyses of naval operations, and operational or tactical capabilities, supports the development of concepts of operation, and solutions to problems related to the execution of operational plans; development and evaluation of the effectiveness of Fleet tactics, techniques and procedures; analyses that provide understanding of the relationship between training resources and the building of operator proficiency and operational readiness; and evaluations of the impact on fleet operations of new technology and new operational concepts. Current studies in this product area include:

- Asia-Pacific Rebalancing: U.S. Navy Priorities
- Development of Navy Regional Strategies
- Support to CNO International Engagement and Relationship Building
- Russia's Naval Expansion Plans and Defense Industry Capacity
- The PLA Navy & PRC Military Diplomacy in Asia: Implications for USN
- Enhancing the Value of CNO-priority War Games
- Analytic Support to Air Sea Battle Assessments
- Comprehensive Command and Control in an A2AD Environment
- Operations in a Radio Frequency Contested Environment
- Impact of 'New Normal' Operations
- Countering UAS Threats to CSG Operations
- Flight Hour Program Shortfalls and Training and Readiness Impacts
- Tomahawk Employment in a High Threat Environment

This product area addresses complex, broad-scope studies that are often carried out in a multi-threat, joint task force environment. The studies are designed to assess the performance of naval systems in complex and demanding multi-threat environments, in the development and/or evaluation tactics for new systems, and for the examination of existing systems in new operational environments. Work in this product area is generally sponsored by operational fleet commands and is carried out in close coordination with the fleet. It requires CNA to employ its unique ability to bring together advanced technical analytical ability, operational experience, and applied research.

e. Infrastructure and Readiness (IAR) (N4):

The goal of this product area is to conduct analyses to improve the management and efficiency of infrastructure while retaining readiness of the forces, making the best

use of maintenance and logistics resources, evaluating the combat logistics force, efficiently fulfilling DoN's environmental responsibilities while retaining the Navy's ability to operate and train where needed, examining the operational and strategic implications of climate change on Naval operations, and evaluating energy needs and solutions for DON installations and for future platforms and weapons systems . Current analyses include complex issues such as determining the best ways to protect readiness of aging, heavily used systems, determining the best approach for improving the use of facilities, and determining the best approach for minimizing the effects of environmental constraints and incompatible non-military uses, on training and operations. Readiness analyses include development of metrics that are useful to the Fleet and to OPNAV, and that are linked to performance at various stages of the FRP. Current research includes:

- Understanding the operational implications of platform fuel efficiency, and the operational supportability of newly-emerging advanced weapon systems
- Helping the Navy defend its access to testing and training spaces, and helping the Navy gain visibility on CFIUS proximity threats
- Business-case analyses of shore and platform energy initiatives
- Developing more mathematically rigorous and defensible models of the effects of Navy operations on the environment
- Developing cost-benefit tools to allow more cost-efficient procurement of installation non-tactical vehicles
- Developing metrics and decision tools to support Navy investments in installation utility infrastructure
- Ship Operations: Consequences of Long-Term Reduction of Ship Repair Parts on Ship Depot Maintenance Cost
- Total Ownership Cost - Managing O&S Costs in the Weapons Systems Acquisition Process
- Combat Logistics Force Operation
- Fixed Costs of Readiness
- Ship Maintenance: Material Unit Costs (MUC) and the Historical Growth of What is Included in MUC
- Using Unique Item Identification (UII) to Improve Life-Cycle Management of Spares
- Supporting Future Environmental Planning and Compliance
- CNA Flying Hour and Aging Factor
- Prospects for Improved Fleet Energy Efficiency

f. Resources, Planning, and Assessments (RPA) (N9):

Projects in this product area will support DoN's major platform warfare and investment areas. CNA assists DoN leadership by conducting analyses that will aid in the development of an investment plan and program that delivers combat ready naval forces in support of the Navy and Joint mission requirements. Projects in this area focus on platform sponsors' integrated platform weapons, sensors, and C4I requirements, design, performance, acquisition, and resourcing decisions; will examine cross-cutting programmatic resourcing issues balancing manpower, readiness and procurement within

and across individual portfolios; and will support future platform and force concepts of employment, long-range force architecture, and force structure planning and programming. The Product Area Manager (PAM) for the Resources, Planning and Assessments Product Area is N9. Some current studies supporting the Navy's integration of capabilities and resources include:

- Future Fleet Architecture design and assessment
- Delivering integrated and interoperable forces
- Managing F-18 depot maintenance
- Integration of readiness kill chain
- Patrol boat ASuW capabilities

g. Capability Integration (CI) (N81):

Studies in this product area provide analyses of system performance and integration, and systems-of-systems interoperability issues, arising from the development of capabilities intended to produce effective warfighting units for naval and Joint operations. In this context, systems are defined broadly, encompassing technical, materiel systems and/or non-materiel components, and processes and enablers which are aggregated to produce a warfighting capability. Many studies will also include evaluations of the impact of resource constraints on producing desired capabilities. This product area also incorporates senior Department of Navy leadership focus issues which cross multiple product areas, or which have not been adequately represented in other product areas. Such issues are typically identified by N81 as manager of the Navy's integrated analytic agenda, or by CNA itself. Current studies in this product area include:

- Carrier Strike Group and Amphibious Readiness Group Presence and Surge Analysis
- Airwing Augmentation: Considerations for Routing, Logistics and the Fleet Response Plan
- Assessment of Navy Ballistic Missile Defense
- Carrier Strike Group Integrated Sea Control Training
- Naval Integrated Fire Control-Counter Air Support Study
- Space-Based Meteorological and Oceanographic (METOC) Capabilities
- Using Change Detection as the Primary Focus of Mine Clearance Operations

h. Navy Field Program:

In the Field Program, CNA provides on-scene, analytical support to operating force and fleet commanders. Currently, CNA field representatives are assigned to: service component commands; numbered Fleet and MEF commands; deploying carrier strike groups; task forces; operational test and evaluation commands; and commands that support the warfighter such as training commands and type commands. The field representatives' expertise is primarily used to evaluate operational capabilities; determine the optimal use of resources; analyze exercises, operations, and experiments; and assist in the development of CONOPS and tactics. In today's highly technical and complex

warfare environment, the ability to collect and analyze hard data using scientific methods that can be balanced with operational relevance is critical to the warfighter's decision making process. Examples of topics addressed by CNA field representatives include: Cyber warfare; special warfare and intelligence operations; strategic planning; tactical development and training support; coalition interoperability and theater security cooperation; behavioral health and personnel issues; warfighting readiness; operational assessments; and force structure and design. The CNA Field Program is reviewed annually by DoN leadership during the CNA research program review. This review sometimes results in the relocation of field billets to obtain maximum value to meet the technical and analytical needs of the DoN. This program continues to make vital contributions to the Fleet across a broad spectrum of analysis disciplines. Fleet Forces Command shall, in coordination with the COTR and Contracting Officer, ensure that these field billets are appropriately coded for SCI if such access is necessary for such field analysts to be effective in their command operational support activities.

i. Scientific Analyst Program:

. CNA scientific analysts are assigned to senior DoN/MC and DoD leaders in the Washington DC area. They are expected to (1) conduct short-term analyses in response to requests from the senior DoN leader; (2) alert the leader's staff to relevant analytical work CNA may be doing and provide information on current activities and problems involving the leader's area of responsibility to CNA; and (3) assist in the definition of analytical problems so that they can be properly addressed in specific study efforts. The Product Area Manager (PAM) for the Scientific Analyst Program is N81.

j. Quick Response:

Quick response projects are those that must be initiated in less time than would normally be required to develop a full project proposal. Quick response projects are defined as efforts that have a need for an immediate start and that are of 90 days or less in duration. The specific study effort must fall within the scope and focus of the previously defined product areas. The Product Area Manager (PAM) for the Quick Response Program is N81.

k. CNA-Initiated Program:

During the contract period, the Government shall make available 5% of the annual Center for Naval Analyses (CNA) budgetary funding line (PE 0605154N) to cover the cost of projects initiated by CNA in order to maintain its competency and objectivity. The annual amount allocated to CNA initiated is subject to adjustment of the PE, and shall not exceed 5% of the OE available on 1 April of each year. This is subject to review at the discretion of the COTR..

CNA initiated projects are subject to written COTR approval on a case-by-case basis. In order to be considered allowable costs, the projects must (1) assist CNA in maintaining its competency and expertise in support of its defined mission as an FFRDC,

(2) relate to the product areas defined here, (3) not be associated with the completion of any work which CNA is otherwise required to provide, (4) represent the efficient and prudent use of business judgment in determining the work to be undertaken and the costs to be incurred, (5) not contain costs which would otherwise be specifically unallowable in accordance with applicable cost accounting principles, and (6) not result in a conflict of interest with any work authorized under this contract.

l. Project Development:

Project development is defined as effort expended after a sponsor has requested CNA to prepare a proposal for a specific task and continues until such time as the task is approved by the Contracting Officer's Technical Representative (COTR) or the effort is terminated, either through rejection of the project proposal or at the direction of the sponsor/PAM/COTR/Contracting Officer.

m. General Concept Development:

General concept development is defined as efforts during the Annual Plan process made by CNA managers and analysts to define problems, research the feasibility of projects, and determine necessary resources for execution of CNA's Core funding program.

n. Field Exercise Support:

As an integral part of the Field Program, the Exercise Support Program consists of CNA headquarters analysts assigned to augment CNA field analysts supporting various Navy, Marine Corps, and Joint Commanders as they conduct exercises essential to naval readiness. Specific aspects of exercise support analysis includes CNA support during fleet exercise planning activities, detailed data gathering and observations during exercises, and reconstruction and analysis of both synthetic and live training exercises.

o. Above Core:

Although CNA's first obligation is to the Core Program, CNA will provide additional support to DoN/MC as well as other DoD entities on a task-order basis. Funding for this work is allocated separately by the sponsoring command, and may be done as long as the work is consistent with CNA's core mission and competencies

Marine Corps Program:

Marine Corps Program - This program encompasses the full scope of all Navy product areas, including the field, quick response and scientific analyst programs, as it relates to the Marine Corps and its operations. All Marine Corps sponsored programs and projects shall fall under the initiating and controlling authority of the Commanding General, Marine Corps Combat Development Command (CG, MCCDC).

In summary, the Department of the Navy reviewed each core product areas and concluded that the DoN has a continuing need for CNA's technical and analytical expertise as the DoN ventures into the twenty-first century. The DoN relies on CNA's unique technical skills and talents to perform research that is integral to the missions, operations, and future direction of the Department.

Tab C: Alternative Sources

1. Introduction

Section 35.017-4 (c) (2) of the Federal Acquisition Regulations (FAR) requires an examination of alternative sources to meet DoD technical requirements. The overarching requirement for the DoN is for an organization to provide analytic capability in the areas of warfighting and warfighting support. The special skills, competencies, and capabilities required to accomplish these tasks must adapt to reflect the changes in the technological security and budgetary environment. This support must be knowledgeable, technically skilled, and structured to provide unbiased technical advice for a wide range of DoN issues. The work must address issues of both long-term and immediate concern, and often requires privileged access to information, including sensitive Government information and industry proprietary data not normally available to non-Government organizations.

This tab examines alternative sources that could provide similar CNA FFRDC capabilities with a special focus on the essential skills, competencies, and capabilities they must possess to do so. It also assesses whether those alternative sources (ie., in-house government personnel, for-profit and not-for-profit contractors, university-affiliated organizations, or other FFRDCs) could provide these capabilities as effectively.

DoN requires a highly specialized set of skills and capabilities to meet the unique challenges faced today. The rapidly changing nature of warfare, weapons, and information technology drives the need for greater systems interoperability and more agile and responsive acquisition approaches to ensure warfighters have the necessary capabilities they need to accomplish their operational missions. The DoN's current FFRDC, CNA, satisfies those skills and competencies. Most of the tasks assigned to CNA are cross-cutting in character, requiring expertise drawn from their research staff across its studies and analyses divisions. It is the combination of these skills and competencies in a single organization, and operating with the special relationship with the Navy over the last 70 years that is unique to CNA. They maintain a high-quality, interdisciplinary research staff blending long-standing experience and current knowledge to provide its sponsors with both corporate memory and state-of-the-art expertise. Ninety six percent of the research staff has advanced degrees, about 70 percent with PhDs. CNA researchers are educated in engineering, chemical, physical, mathematical and computer science, economics, political, and other social sciences. The average professional work experience is twenty-one years and half have field experience averaging nearly four years.

2. CNA's Core Competencies

CNA's strength is its ability to plan and execute the integrated network of research activities mandated by its mission. Recently, non-DoN, DoD activities have sponsored a larger percentage of CNA's work. DoD's need for analytical support from CNA led to the establishment of five core areas of research, all of which are essential to DoD

mission and successful development and application. The sum of CNA's core competencies is the integration of all five areas of research in a single organization coupled with a strategic relationship that is unique to CNA. The current contract includes the following core competencies: Manpower, Medical and Training (MMT); Intelligence, Information, and Networks (IIN); Policy and Operations (PAO); Infrastructure and Readiness (IAR); Capabilities Integration (CI); Resources, Planning and Assessments (RPA); Resources, Development and Acquisition (RDA); and Marine Corps Projects (MCP).

3. The Navy relies upon a number of sources to meet its research and analytical needs. These sources include Navy In-house personnel, Universities, Other Government Agencies, Commercial Industry, as well as other nonprofits and FFRDCs. CNA's primary mission is to provide DoN with an independent, authoritative source of research and analysis which is focused on the major present and future issues affecting the Navy and Marine Corps. The DoN decision-makers require a stable and readily accessible source of informed, accurate and objective analysis to help them discharge their governmental responsibilities. Alternative sources are used whenever they can meet Navy requirements more effectively than CNA.

a. In-House & Other Government Resources

The Navy uses in-house resources (both Navy and other government sources) to meet approximately one-third of its research and analytical needs. The following results were reported:

- CNA is a strong provider, but not the only provider of expertise in air defense, mine warfare, surface warfare, missile defense, strike warfare, and expeditionary warfare. The OPNAV staff, Johns Hopkins University-Applied Physics Lab (JHU-APL), the Naval Undersea Warfare Centers (NUWCs), the Naval Surface Warfare Center (NSWCs), Naval Air Systems Command (NAVAIR), and several for-profit contractors have expertise in the above areas. The DoN uses these sources as well where appropriate; however, the FFRDC provides unique connectivity with current fleet operations and with long-term institutional history. The DoN has an established integrated analytic agenda development process to review and determine if a project is appropriate for the FFRDC.

- CNA is the preferred and strongest provider of expertise in manpower, readiness, infrastructure & support, organization & structure, information management, program planning, policy, operations, strategy, and environment. Studies in these areas are appropriate for the FFRDC.

- CNA is the preferred and is often the sole provider for Intelligence Surveillance, and Reconnaissance (ISR), combat logistics, Test and Evaluation, experimentation, and Joint Operations. Studies in these areas are appropriate for the FFRDC.

- CNA has been supporting the Navy across the full spectrum of new security challenges, from countering Islamic extremists and other non-state terrorists, to dealing with the proliferation of guided weapons and their impact on amphibious and forcible entry operations, and to dealing with the rise of China, the rebalance to Asia, and the re-emergence of Russia as a security challenge.

The nature of the work performed by CNA requires a detailed knowledge of Navy operations, doctrine, capabilities and mission. Other Government resources even within DoD (non-Navy) organizations would not possess the detailed information and expertise in naval matters to provide the breadth and depth of knowledge necessary to meet these requirements. These organizations may have some personnel with previous naval experience but the currency and breadth of such knowledge would prevent the effective assignment of analysis to such organizations. Based upon the lack of suitable naval assets and the lack of detailed naval knowledge and experience represented by non-naval assets, the use of in-house resources to provide the analytical support currently provided by CNA is not an option.

b. Universities

Universities are used to meet research needs primarily of an academic nature. While scientific analysis techniques are employed in the analytical support provided by CNA, the most important factor in the analysis is detailed knowledge of naval operations, doctrine, capabilities and mission and its strategic relationship with the DoN. University sources do not enjoy the same strategic relationship.

c. Commercial Industry

In some core areas, the subject matter experts are available elsewhere and many sponsors prefer to use both. The technical expertise offered by for-profit contractors, has become more available since the last comprehensive review. Analytical work is performed by commercial entities generally when the scope of the study is fully defined, there are limited requirements for strategic knowledge of naval matters, and the for-profit status of the contractor does not interfere with their ability to obtain necessary data or pose a conflict of interest. This prevents the building of the necessary corporate knowledge and expertise of naval matters necessary to provide expert analysis of naval operations, policies, doctrine, and capabilities. Further, most cannot bring to bear the interdisciplinary approach or long-term perspective required for the work provided by CNA. Additionally, as a nonprofit entity, CNA enjoys freer access to information from government, commercial, and foreign concerns. For these reasons, commercial concerns are not considered a realistic alternative source for most of the work provided by CNA.

d. Other FFRDCs and Non-Profits

The Navy uses other FFRDCs and non-profits to meet its research and analytical needs. Most non-profits and FFRDCs enjoy access to proprietary or sensitive information far beyond that which is granted to for-profit corporations. All FFRDCs

have developed a strategic relationship with sponsors to ensure they are familiar with the sponsors' requirements. Most non-profits, while having a specific field of expertise or analytical base, do not have in-depth familiarity with a particular sponsor or organization. In any case, while the Navy maintains a relationship with other systems engineering and research laboratory FFRDCs and many nonprofits, none of these relationships provide detailed knowledge and expertise in naval operations, policies, doctrine, and capabilities to perform the work assigned to CNA.

CNA's study and analysis work is defined by the combination of the division's mission and purpose, strategic relationship as an FFRDC, access to data and sensitive information, and analytical capabilities. CNA, as the DoN's FFRDC, is a trusted agent and partner. The FFRDC's non-competitive nature and strategic relationship instills little concern for a real or perceived conflict of interest. It is chartered to serve the public interest and operate under DoD's FFRDC governance and DoN policies.

4. Conclusion

Based on the above, CNA is undeniably the leader due to its objectivity, strategic relationship, and level of expertise. The special constraints imposed on the FFRDC guarantees it maintains the highest degree of objectivity and can be trusted with access to proprietary information beyond that which is granted to the ordinary contractor. The combinations of Congressionally-mandated ceiling limitations, limits on non-FFRDC work, and the definition of core work ensures the FFRDC will not exploit its special relationship with the government.

Tab D. Efficiency and Effectiveness

1. Purpose

TAB D addresses the efficiency and effectiveness of CNA in meeting the sponsors and DoN leadership's major needs as required by FAR 36.017-4(c) (3). TAB D also evaluates CNA's ability as a Federally Funded Research and Development Center (FFRDC) to maintain its objectivity, independence, quick response capability, currency in its respective fields of expertise, ability to provide analytical support, both in Washington and at DoN field commands around the world, and familiarity with the needs of its sponsors.

The efficiency and effectiveness of the FFRDC in meeting the needs of its sponsors and the DoN leadership is assessed by requesting sponsors of CNA products to complete a sponsor evaluation form. Sponsors are asked to evaluate the quality of CNA's formal research and the performance of its field and scientific analyst programs. The results of these evaluations are an essential input in the following areas: (1) Evaluation of the quality, timeliness, and value of the work produced; (2) Assessment of the FFRDC's ability to maintain its objectivity, independence, quick response capability, currency in its core work competencies, and familiarity with major users' needs; and (3) Mechanism to address any criticisms and or recommendations that the sponsors had with CNA's performance.

2. FY 2010 – FY 2015 Performance Evaluations

The FY 2010 – FY 2015 performance evaluations assessed task orders on the CNA FFRDC contract. As required by the DoD FFRDC Management Plan, the following factors were evaluated: Technical quality, responsiveness to sponsors' needs, timeliness, value of the product/analysis, and cost. DoN leadership as well as sponsors of CNA products, both military and civilian, were asked to assess the support they received from CNA during the performance evaluation period. The sponsors were asked to evaluate in keeping with the DoN's contract with CNA. Overall, CNA is rated very highly, and the dissatisfied customers are few (less than 5% of the respondents). CNA makes every attempt to work with the organization(s)/individuals who indicated problems with CNA's performance. These negative responses then become a catalyst for change, improvement and broadening of CNA's analytical talents. Superior or excellent critique also serves to reinforce CNA's performance in critical areas of research. Both positive and negative feedback generally includes, in addition to a quantitative rating, comments from the sponsor identifying their expectations for CNA products. These comments can encourage CNA to embark on innovative research that proves to be of great benefit, both for DoN and for CNA.

During the evaluation periods, sponsors of CNA products were requested to complete a sponsor assessment form providing insight into the overall rating of the work assigned to the FFRDC. Narrative comments on technical quality, responsiveness, timeliness, and value were invited on each response but mandatory for all products that

were rated “marginal” or “unsatisfactory” in any evaluation area. The responses received were extremely insightful and contributed greatly to DoN’s understanding of the impact of CNA’s research on DoN commands world-wide. Many of the respondents were agreeable to complete and submit subsequent evaluations in part because they valued the services of CNA but also recognized the impact that their evaluations had on the quality of the research CNA provided to the DoN. Evaluations were requested for projects as well as analytical services (both field support and Washington-based scientific analyst support).

All evaluators were requested to provide their comments and to rate questions related to quality, responsiveness, timeliness, value, and costs. The following quantitative scale was used by evaluators, which indicated their percentage recommendation for a particular evaluation field:

Outstanding: 91-100%
Good: 81-90%
Satisfactory: 71-80%
Below Average: 61-70%
Poor: 60%

3. Comprehensive Review Performance Evaluation

During the annual CNA research program reviews, an in-depth review of DoN’s requirements for CNA support for the upcoming fiscal year, the COTR requests feedback from CNA’s DoN sponsors regarding CNA’s performance during the course of their interface with CNA. The purpose of the request is to obtain direct feedback from DoN leadership that is instrumental in the preparation of the DoN’s Comprehensive Review. The DoN leadership, all either Flag/Senior Executive Service (SES) members, represents a subset of both military and civilian long term users of CNA products and were considered pro active when interfacing with CNA. All CNA customers, both Navy and non-Navy sponsors of CNA products, were engaged in assessing CNA’s performance throughout the evaluation cycle.

DoN continues to receive substantial benefits from CNA. This is due in part to the excellent working relationship CNA has with DoN leadership. DoN confirms that with DoN leadership involvement in the program, CNA will continue to provide high quality, high value technical and analytical work that is in keeping with the function of an FFRDC. As such, renewal of CNA’s contract with DoN is strongly supported so that DoN can continue to benefit from the strategic relationship that DoN has enjoyed with CNA for many years. The strategic relationship has the following characteristics:

- **Long Term Relationship** – CNA’s relationship with DoN spans more than 70 years. As a direct result of the continuity provided by this relationship, CNA possesses an intimate knowledge of DoN’s needs, structure, and operations. CNA’s ability to attract and retain experts in various disciplines, many with

advanced degrees and the use of the field and scientific analyst programs have enabled them to remain at the leading edge of research and development. While other entities may have individuals with advanced degrees and/or experience in naval matters, no other organization maintains a program with regular assignments to various operational activities. These assignments result in extensive operational knowledge of naval strategy and doctrine.

- **Access to Sensitive Data** – CNA maintains detailed archives of public and private information (proprietary, Government restricted, classified and sensitive), and they continually receive all manner of data relative to naval matters/warfare. Additionally, CNA's existence as an FFRDC public interest entity allows them to acquire data not readily released to others; for example, information from commercial entities as well as from foreign sources.
- **Independence and Objectivity** – As a nonprofit, private sector institution, CNA is relieved of the pressures which face for-profit contractors and is not subject to the institutional biases, which are a natural consequence of military service or employment in the federal government. Therefore, CNA is able to perform honest, unbiased analyses that challenge the convention wisdom and is free from conflict-of-interest.
- **Broad Corporate Knowledge** – Due to CNA's long history of providing support to the DoN, CNA has gained an extraordinary knowledge of the integrated relationship among all mission areas. Their ability to maintain historical records and retain high-caliber personnel has fostered the building of an unmatched base of knowledge about all aspects of naval operations. This expertise and experience enable them not only to understand situations as they currently exist, but also to fully appreciate their historical roots. Such a broad scope of understanding and perspective allows for more complete analysis and perceptive solutions.

4. Comments on CNA's FFRDC Support

Sponsors and major users of CNA provided responses to questions designed to quantitatively evaluate CNA's support during the reviews. In most cases, respondents responded that CNA provided answers that were either "Outstanding" or "Good" support with regards to questions to the following:

- Technical Quality
- Responsiveness
- Timeliness
- Long-term value

5. Evaluation Process Summary

The COTR has always encouraged and welcomed feedback from sponsors of CNA products. In many cases, the sponsors' feedback provided invaluable insight into their organization's requirements, their expectations from CNA and even offered suggestions for additional research evolving from projects sponsored by their respective commands. Field and scientific analysts, in their unique role of providing on-sight, cutting edge analyses to DoN leadership and action officers have also served as catalysts for changes within organizations by recommending fresh and innovative research. A sample of the feedback from CNA sponsoring organizations includes the following comments:

- ASN (RD&A) Comments:
 - **“21st Century Sailor and Marine Metrics”**
The team produced high quality and informative products. The team successfully coordinated with numerous subject matter experts to understand the current state-of-metrics and then to propose, when required, changes to existing metrics or new metrics. The team was customer-oriented and incorporated feedback from the ASN(M&RA) staff
 - **“Non-Demographic Factors Associated with Suicides”**
The team produced high quality and informative products and they had an excellent command of the literature and data sets and used appropriate methodologies and statistical techniques given the research questions. The analysts were customer-oriented and incorporated feedback from the ASN(M&RA) staff into the final products. The results of the initiative were useful in that they both validated and challenged expected results and led to other possible research questions.
 - **“Navy Officer Diversity and the Retention of Women and Minorities”**
The investigators produced high quality and informative products and brought the required expertise to the research initiative. The team worked well together and was customer-oriented. The team delivered final products which required little in the way of feedback from the ASN(M&RA) staff. The results of the initiative were useful in that they both validated and challenged expected results and led to other possible research questions.
- N1 Comments:
 - **“Measuring Sailor Performance and Quality”**
CNA Analyst were very responsive and provided quick and thorough turn around data to answer CNP. Outstanding support and a quality product.

- **“Alternative Methods for Addressing Student IA”**
Investigator has excellent understanding of student IA processes and issues. The suggested new model for projecting IA requirements requires further exploration on our part to determine the extent to which we can expand and validate it for use.
- **“Officer and Enlisted Retention Reports”**
CNA was very flexible and responsive to our needs to produce the most Relevant and useful attrition and retention reports.
- N2/N6 Comments:
 - **“Navy Persistent ISR/TCPED and Unmanned Systems Implications”**
Communication between CNA and my staff was very good. We maintained a clear understanding of where they were in the research and analysis phases and were active partners in the final report preparation. When early findings required refinement of tasking, recommendations were presented and a way forward was jointly developed.
 - **“Integrated Undersea Surveillance System Assessment SCI”**
Roger Poore provided excellent analysis and support for the effort. His input was instrumental in completing the IUSS Assessment.
 - **“Integrated Undersea Surveillance System Assessment”**
Work was well thought out and analysis was clearly documented..
- N3/N5 Comments:
 - **“Increased Use of FDNF: Implications for Cost, Presence, Readiness, and Warfighting Capability”**
The team from CNA listened to us and adapted their work to meet our needs. The IPRs were very valuable in helping the CNA team understand the nature of the problem and allowed us to steer the research in the right direction. The final product has been extremely helpful preparing senior leaders for many of the posture issues on the horizon. In fact, since we received the final product, the President and Secretary of Defense have met with leaders of two of the countries discussed in the study. Consequently, we had ready analysis on cogent topics for Navy leadership regarding those posture issues.
 - **“Global Review of Combat Logistics Force Deployments”**
CNA reps were responsive to sponsor questions and concerns. Communication was excellent.
- N4 Comments:
 - **“Impacts of Geothermal Energy Development on Navy Training”**

The study was emergent and CNA was very accommodating in being able to execute the study in a timely manner. As potential locations were being debated within Navy for determining where geothermal development on Navy owned or controlled lands could occur, the impacts to mission were unknown. We took advantage of the CNA team's previous efforts and knowledge of Navy to identify those attributes of geothermal exploration and development could interfere with Navy training at key aviation ranges.

- **“Impacts of Energy Efficiency on Warfighting Capability”**
The team was exceptionally professional, thorough and responsive to customer feedback throughout the project. We received a product that allowed us to significantly expand the discussion about relative combat capability derived from energy efficiency. I look forward to pursuing further work on this topic with CNA.
- **“Effects of Deferring Ship Depot Maintenance”**
CNA provided an effective and useful product that continues to build on our body of knowledge of deferred maintenance and its effects on expected service life.
- N8 Comments:
 - **“Airwing Augmentation: Considerations for Routing, Logistics and the FRP”** Excellent work by Dr. Jewle and her team..
 - **“Future Mobile Airfield Force Structure Requirements”**
Another outstanding product. Again Dr. Price responds quickly delivering relevant and complete analysis to short notice requests for analysis of excursions that inform the Navy's programming and budgeting.
 - **“Assessment of Navy NCEA Investments”**
Study team was able to develop framework for a proficiency-based requirement within timeline and cost of study which could be further developed and socialized to claimants in the future.
- N9 Comments
 - **“Submarine Payloads for Shaping OPFOR Options in A2AD Environment”**
There was a lot of analytics involved with this study with volumes of backup data/information. Thanks again for a great study!
- MCP Comments
 - **“Marine Corps Return on Investment in PACOM AOR”**

The study was effective and has been used to develop concepts and courses of actions for the Commander IOT ensure the relevance of the Marine Air Ground Task Force and the Navy-Marine Corps team in the Asia-Pacific.

- **“Total Force Marine Corps”**
Kim Deel and the entire team did a great job supporting our efforts.
- **“Integration Study”**
The Integration Study that is wrapping up is currently being used and the lessons learned will be written into future planning orders. The current Task order will capture ISIL tactics. Completion of this task order will be a consolidated tactics handbook that covers insurgent operations in Iraq and Afghanistan from 2007/8 to present. This product will be used by Marines preparing to deploy and during their deployment.
- **Above Core Comments**
 - **“Logistics Supportability of the Marine Corps’ Distributed Laydown”**
The subject study was well done and it will guide the MARFORPAC G4 Staff as we initiate The Marine Corps Pacific Rebalancing Initiative and related Distributed Force Laydown Plan.
 - **“Support for MHS Modernization Analysis Development”**
CNA team was integral to the development of the signature report for the assessment of the clinical system in the MHS.
 - **“NWDC Support: Understanding the PRC and Concepts for Navy Innovation”**
CNA research and analysis skills provided a quality report that was valued by the U.S. Pacific Fleet.

In general, the majority of sponsors’ comments are very positive in nature, with only two percent on average being negative. Negative comments, when received, were generally concerned with not receiving a deliverable in a timely manner or analysts being assigned to other projects during the course of the study project.

6. COTR Review

The COTR reviews and is responsible for all work performed by CNA. The COTR review guarantees that the use of CNA is properly documented and justified and ensures there are no known conflicts of interest associated with CNA’s performance of the assigned work. The COTR is also responsible for the coordination of funding aspects of the contract between the contracting office, sponsors and financial personnel. As such, the COTR carefully reviews all proposed projects for their appropriateness prior to authorizing work to begin.

The COTR carefully reviews all responses received and recommends remedial action for the projects/analytic support that are rated either “marginal” or unsatisfactory”. The COTR works closely with CNA management to maintain an open line of communication regarding CNA’s support to DoN. During the reporting period, projects were terminated if found not fulfilling their objectives as identified in project proposals, thereby returning those funds to DoN to support projects that were meeting and, in many cases, exceeding DoN’s expectations.

7. Department of the Navy’s Observations

As part of the semi-annual review process, DoN requires CNA to provide the department with a self-assessment of their accomplishments during the reporting period. The CNA self evaluations received during the FY 2010 through FY2014 time frame, forwarded under the signature of the CNA Senior Vice President for Business Operations, incorporates findings from all levels of the organization, including the President, CNA. The CNA self-evaluation is a key component in the evaluation cycle. In all cases, CNA rated their performance as “continued superior performance.”

Tab E: Management and Cost Effectiveness

1. Purpose

Section 35.017-4(c)(4) of the Federal Acquisition Regulation (FAR) requires an examination of the management controls implemented to ensure cost-effective operation of a Federally Funded Research and Development Center (FFRDC). The purpose of this tab is to discuss the management oversight structure of CNA, which actively involves participation of the DoN and CNA representatives who work together toward this common goal.

2. Government Oversight Roles and Responsibilities

Responsibility for the government's overall management of an FFRDC resides with the primary sponsor. The Director Navy Staff for the Chief of Naval Operations (DNS) acts as the Scientific Officer for CNA and bears full responsibility for the management of the FFRDC, including the research program and the funding required to support this program. In fulfilling these obligations, DNS functions as the requirements sponsor for budgetary purposes and holds final approval authority for the provision, or supplement, of core funds allocated to the product areas within CNA's research program. To assist DNS in carrying out his duties and responsibilities as primary sponsor, the following DoN officials are actively engaged in the oversight and management of CNA.

The Assistant Secretary of the Navy (Research, Development and Acquisition) (ASN (RD&A)) acts as the Secretary of the Navy's representative in the exercise of his FFRDC management responsibilities.

The Deputy Assistant Secretary of the Navy (Management and Budget) (DASN (M&B)) serves as the DoN Senior Acquisition Official.

The Director of Navy Staff (DNS) acts as the Scientific Officer for CNA with the responsibility for overall management of the CNA Research Program; serves as the requirements' sponsor for the CNA Research Program for budgetary purposes; and is the approval authority for reallocation or supplementation of product area dollar allocations.

The Director, Assessments Division (N81) acts as the Contracting Officer's Technical Representative (COTR) and is responsible for all work performed by CNA, for ensuring that the use of CNA is properly documented and justified, for ensuring there are no known conflicts of interest associated with CNA's performance of the assigned work, and for coordination of funding aspects of the CNA contract between the contracting officer, sponsors, and financial management personnel. N81 is also responsible for the provision of all project management reports required by the Under Secretary of Defense (Acquisition, Technology, and Logistics) (OUSD (AT&L)), including, but not limited to, reports specified in the DoD FFRDC Management Plan.

Product Area Managers (PAMs) are responsible for the review, approval, and coordination of his/her product area via product area management focus areas. To accomplish this goal, CNA and PAMs agree on priorities on a yearly basis while working together to update priorities throughout the fiscal year. In reviewing and approving projects, the PAM is making an assessment of the potential value of the study to the DoN.

The Commanding General, Marine Corps Combat Development Command (CG, MCCDC), as designated by the Commandant of the Marine Corps, serves as the Marine Corps Representative in all matters relating to CNA, serves as the PAM for all Marine Corps initiated work, coordinates all funding aspects of the Marine Corps Program.

The Contracting Officer is responsible for the execution of all contractual documents, including the issuance of individual task orders, the issuance of modifications to task orders, the close-out of individual task orders when completed, and for ensuring there are no known conflicts of interests associated with CNA's performance of assigned work.

The Office of Naval Research has contractual and fiscal oversight responsibilities regarding CNA. The agency's designated contracting officer negotiates all contractual actions, obligates all funds provided by CNA's primary sponsor and other major users of the FFRDC, and annually negotiates the fee based on demonstrated need. In accordance with the DoD FFRDC Management Plan guidelines, the contracting officer also negotiates indirect cost rates and coordinates the routine and extraordinary audit needs with the Defense Contract Audit Agency or other subject matter experts. ONR exercises their fiscal oversight through receipt and management of CNA's annual core funding in Navy Program Element 0605154N. Responsibilities include apportionment of funds for contractual requirements and a reserve, or set-aside, to satisfy all distributed and undistributed reductions to the FFRDC funding line in the DoN budget. Both the contracting officer and fiscal staff closely review all funds provided by Non DoN FFRDC users to ensure the proposed work falls within the scope of purpose authorized for those funds.

Audit Oversight. The Defense Contracting Audit Agency (DCAA) Columbia Branch Office, Columbia, MD, has government audit cognizance over the CNA Corporation (CNAC). There are auditors who are assisted by others in the branch office along with various technical specialists in the DCAA Philadelphia Region to augment their efforts when necessary. The contracting officer works with DCAA to develop comprehensive annual audit plans. Any requirement outside the scope of DCAA's cognizance is coordinated with the appropriate corresponding agency by the Procurement Contracting Officer (PCO). Although CNAC strives to maintain a business operation that is compliant, in every aspect, audits periodically identify questioned costs or internal control deficiencies that require corrective action.

3. CNAC Oversight and Management of the FFRDC

The CNA Corporation oversees and operates the FFRDC and, therefore, has the ultimate responsibility for maintaining the highest standards in technical expertise and business operations. The corporation is headed by a President and Chief Executive Officer, who reports to a Board of Trustees which governs the research and business operations of the corporation through various committees. Those committees with authority to influence and oversee the CNAC business operation are as follows:

Nominating, Compensation and Personnel Committee. Its authority extends to employee compensation, and entails the review and approval of salaries and compensation policies applicable to officers and employees of the corporation.

Audit Committee. It has authority and responsibility over the corporate audit programs implemented through internal and external sources. This includes establishing the annual audit plan with CNAC's Independent Public Auditor and resolution of findings resulting from audits performed through internal and external sources. In order to satisfy their own requirements, CNAC has engaged the independent audit services of Grant Thornton LLP to provide accounting and external audit support. To maintain adequacy of their internal controls, the Audit Committee has engaged the services of Deloitte & Touche, who report directly to the Board of Trustees on the adequacy and integrity of the business operation.

Compliance Committee. This committee is an arm of the Ethics Committee, which is responsible for establishing and administering standards of ethics and business conduct for the Board of Trustees. In order to abide by the Defense Industry Initiative on Business Ethics and Conduct, CNAC implemented a compliance program to foster and maintain the highest standards of ethics and business conduct. The Compliance Committee is responsible for ensuring conformance with the corporate code of ethics, contractual and legal requirements, and corporate policies and procedures. To enforce compliance, various audit programs have been implemented to validate adherence, detect violations, and evaluate compliance with procurement laws, regulations, contract requirements and internal policies and procedures. Auditors must report all suspected improprieties to the Compliance committee, via the CEO, Ethics committee, and Board of Trustees.

4. Cost and Performance Oversight and Evaluation

The annual ceiling established by OSD(AT&L) provides the boundaries for CNA's costs and performance during any given year. Those limits are considered when developing the CNA Annual Plan, which sets forth the anticipated work and costs associated with projects that are of priority to the DoN and other FFRDC users. Ceiling is closely monitored by the COTR, the contracting officer and CNA to ensure that meeting the demands of DoN and other project sponsors will not bring the CNA research program in conflict with monetary or STE limits for the year.

The actual costs and performance of work are monitored through several mechanisms, including various reports, such as the funding status report. It provides a snapshot of every project at the conclusion of each accounting period, in terms of funding and costs incurred based on level of completed work. This data affords DoN and CNAC managers a very timely view into the status of work and allows early detection and correction of potential resource problems. There is also an annual Cost and Performance Report, which is a contract deliverable, which contains a brief synopsis of every research project, the associated funding, deliverables and related salient information.

CNA's performance is evaluated monthly in terms of quality of work, timeliness of deliverables and associated cost effectiveness. Cost effectiveness measures include CNA's control of indirect costs; specifically, the variance, either over or under, between actual costs versus proposed costs. CNA's expenditure rate is also evaluated.

Successful coordination and oversight of requirements and resources across functional areas within DoN and CNA demands the involvement of senior level managers in both entities. DoN leadership meets prior to fiscal year renewal to provide oversight and guidance in implementing the CNA research program. They provide key input to the Annual Plan.

5. Accounting System

CNAC maintains an accrual-based accounting system in accordance with generally accepted accounting principles. The contractor is a non-profit organization subject to the cost principles in FAR 31.205 and the requirements of the Cost Accounting Standards. The contractor implemented an accounting system called "Cost Point" during the evaluation period. There have been no indications of any potential serious findings or deficiencies during DCAA audits.

6. Purchasing System

The CNA Corporation meets the criteria in FAR 44.302 for the conduct of a Contractor Purchasing System Review (CPSR). The Office of Naval Research has cognizance over the review and approval of CNAC's purchasing system. The latest review was performed in June 2013. No major findings or deficiencies were found that could change the existing approved status. The scope of the CPSR included all purchases within the previous 36-month period, includes subcontracts, consultant agreements, equipment purchases, general office supplies and maintenance/service agreements. As a studies and analyses FFRDC, these types of items make up the bulk of CNAC's purchases. Whenever possible, CNAC uses the GSA schedule to satisfy their needs and requirements.

7. Compensation Costs

The CNA Corporation's compensation policy supports their corporate vision of employing and retaining highly capable people on an equal opportunity basis, while providing a stimulating, creative and nurturing environment for them to achieve their potential and succeed. CNAC uses this as a springboard to achieve their corporate goal of salary schedules that are competitive with their peer organizations, while attracting the caliber of individuals who are capable of producing the quality work historically associated with this company.

The Human Resources Department (HRD) administers CNAC's compensation policy and procedures. Starting salaries are based on factors such as market data, position level, skills, relevant work experience, years since degree, education and any other factors applicable to a position. Within HRD, a Senior Compensation Analyst is directly responsible for program general administration, which includes monitoring for internal equity, consistency and compliance with legal requirements and CNAC's own policies and procedures, as well as maintenance and evaluation of job descriptions for all employees.

To achieve their mission and FFRDC mandate, CNAC uses several approaches to maintain a competitive, total compensation package that enables us to recruit and retain a highly qualified, skilled, talented, and diverse workforce. Their compensation package includes two core elements: Compensation (base pay and bonus), Benefit programs. The CNA Human Resources (HRD) Department gathers data from the federal government and from national and local markets to assist us in determining appropriate employee compensation. CNAC benchmarks their positions and salary ranges to appropriate national and/or local job surveys to ensure market comparability and reasonableness of pay. CNAC conducts this benchmarking process at least annually, and we sometimes conduct it more frequently, based on market conditions. CNAC compares and evaluates base salary for each candidate's and employee's salary, based on market data, position level, employee skills, relevant work experience, education, general qualifications, and performance. To the extent possible, CNAC is also careful to ensure internal equity. CNA's President and CEO, and their Board of Trustees' People and Compensation Committee review and approve their merit and bonus budgets every year. DCAA routinely audits CNAC's compensation system, and CNAC's internal controls were determined to be adequate.

CNAC biennially engages an outside firm that specializes in compensation, including executive compensation, to conduct a thorough market review and provide recommendations to the President and CEO, and their Board of Trustees' People and Compensation Committee. CNAC has had two such assessments during the period of the current contract, one of which showed they were in line with the market and the most recent report, which showed that CNA was slightly behind in total compensation for the CEO and his direct reports because bonuses were not issued in January 2014.

8. Indirect Costs

The CNA Corporation is a single business unit with two totally and distinct units. As such, the Corporation operates the FFRDC under the Navy contract for sponsorship of CNA. Work not related to the FFRDC is performed under separate awards within the non-FFRDC division called the Institute for Public Research (IPR). Indirect rates are developed based on the costs required to perform both FFRDC and non-FFRDC business while maintaining a single research staff available to all clients. Indirect costs have been contained.

CNAC is very aware of the effect increased indirect cost has on research. Some examples of corporate initiatives enacted to reduce indirect costs are:

- Force Shaping to Further Control Costs. During the current contract period, CNAC has also reduced the number of employees in their workforce. Some of these reductions were a result of natural attrition and performance management, but CNAC also conducted a more comprehensive reduction in force. In making these reductions, CNAC considered organizational efficiencies and realignments that maximized workforce competencies, skills, and potential to meet current and future research and operational needs.
- New Facilities. Reduced office footprint, CNAC designed smaller offices and adjusted their space planning to reduce the total square footage required. CNA worked to restructure its IT environment and organization. CNA reduced their IT capital expenditures by 50 percent.
- Corporate wide cost reduction initiative. The CNAC Corporation continues to implement various changes resulting in reduced current and future indirect costs through automation, more efficient use of manpower, standardization of equipment purchases, and other corporate-wide efficiencies.

Tab F: Establishment Criteria and Sponsorship Agreement

1. Purpose

The purpose of TAB F is to determine the following: (1) The continuation of the Center for Naval Analyses (CNA) as a Federally Funded Research and Development Center (FFRDC) is consistent with the Federal Acquisition Regulation's (FARs) criteria for establishing an FFRDC; (2) The sponsoring agreement complies with the FAR and the DoD Management Plan of 25 April 2011; and (3) The sponsoring agreement accurately reflects the FFRDC's mission and core work statement. The Department of the Navy's (DoN's) review considered the sponsor's original rationale for establishing CNA as an FFRDC. The review also took into consideration how a decision to continue the FFRDC measured against the FAR 35.017 criteria governing the establishment or changing of an FFRDC. Finally, the DoN's review evaluated whether the current Sponsoring Agreement complied with the provisions of FAR 35.017 and the DoD FFRDC Management Plan.

2. Establishing the Center for Naval Analyses

CNA traces its origins to 1942, when the predecessor of today's CNA, the Operations Evaluation Group (OEG), provided DoN with a cadre of scientists who delivered on-site analysis that was instrumental in tracking and detecting U-boats during World War II. Due in part to the unique and unparalleled support provided by these scientists, it became apparent that the worlds of the warfighter and the scientist were complimentary and essential to one another. Based on this strong, historical relationship, DoN established the modern-day CNA as a studies and analyses FFRDC to provide access to private sector scientific knowledge in support of DoN and other DoD decision makers. CNA is the only FFRDC sponsored by DoN. As such, CNA enjoys a special relationship with the DoN, having access beyond that which is common to the normal contractual relationship, to government and supplier data, including sensitive data and proprietary data, and to employees and facilities. Therefore, CNA must conduct its business in a manner befitting this special relationship, operate in the public interest with objectivity and independence, be free from organizational conflicts of interest, and fully disclose its affairs to the DoN. Finally, CNA operates in a manner consistent with its mission to provide independent, authoritative research, analysis and technical support with the highest standards of scientific integrity and competence.

Sources of in-house capabilities available to support DoN's mission were carefully examined. CNA consistently provides DoN decision-makers with a stable and readily accessible source of informed, accurate, and objective analyses that would be hard to replicate and maintain in-house. CNA continues to help DoN and other DoD decision makers make wise choices about the use of current forces, plans and policies that shape force readiness and sustainability, and the allocation of resources among alternative future capabilities. CNA does this through an interconnected and mutually reinforcing combination of formal projects, field assignments, quick-response efforts, and scientific analyst assignments. The scope and breadth of CNA's analytical effort justifies the

DoN's decision to establish and maintain CNA as our FFRDC. The technical work performed by CNA cannot be performed by either civil service or other in-house resources and involves work that private industry either cannot or should not perform.

3. FAR 35.017-2, Establishing or Changing an FFRDC

DoN, as CNA's sponsor, has adhered to the FAR Part 35.017-2 when establishing CNA as an FFRDC. The criteria are as follows:

- Existing alternative sources for satisfying agency requirements cannot effectively meet the special research or development needs. TAB C, Alternative Sources, explains how existing alternative resources cannot meet the special research and development needs of the sponsors and the major users of CNA.
- The notices required for publication (FAR 5.205(b) refers)) are placed as required.
- There is sufficient government expertise available to adequately and objectively evaluate the work to be performed by the FFRDC. The Contracting Officer and the Contracting Officer's Technical Representative (COTR) ensure that procedures are in place to review each task order prior to CNA initiating work as well as the twice-yearly evaluation of CNA's annual performance strongly support the statement that there is sufficient government expertise to adequately and objectively evaluate the work performed by CNA as DoN's FFRDC.
- The National Science Foundation (NSF) is notified if there are any changes to CNA's FFRDC status.
- Controls are established to ensure that the costs of the services being provided to the government are reasonable. TAB E, Management and Cost Effectiveness, establishes that existing controls are adequate to ensure the reasonableness of the costs of services being provided to the government.
- The basic purpose and mission of the FFRDC is stated clearly enough to enable differentiation between work which should be performed by the FFRDC and that which should be performed by non-FFRDCs. TAB C, Alternative Sources, establishes that the core work statement for CNA and the sponsoring agreement clearly describe the scope and mission of CNA as an FFRDC.
- A reasonable continuity in the level of support to the FFRDC is maintained, consistent with the agency's need for the FFRDC and the terms of the sponsoring agreement. The DoD FFRDC Management Plan establishes that the level of support will be based upon the application of the FFRDC's core concept and the following guidelines: (1) Maintain a relatively stable level of effort; and (2) Maintain competencies in the FFRDC's core areas.

- The FFRDC is operated, managed, or administered by an autonomous organization or as an identifiably separate operating unit of a parent organization and is required to operate in the public interest, free from organizational conflict of interest, and to disclose its affairs (as an FFRDC) to the primary sponsor. CNA is an identifiable separate operating unit. As such, CNA operates in the public interest, free from organizational conflict of interest. The sponsorship agreement between CNA and DoN establishes that CNA will fully disclose its affairs to the government.
- The DoN must review and approve any and all requests to produce or manufacture products, unless authorized by legislation.
- Approval is received from the head of the sponsoring agency. The decision to renew CNA's contract from 1 October 2015 – 30 September 2020 will be made by the Assistant Secretary of the Navy (Research, Development and Acquisition) (ASN (RD&A)) with the concurrence of the Office of the Under Secretary of Defense (Acquisition, Technology and Logistics) (AT&L).

4. Sponsoring Agreement

Section 35.017 of the FAR prescribes a set of requirements that must be addressed either by contract, sponsoring agreement, or by the sponsoring agency's policies and procedures.

a. A Statement of the Purpose and Mission of the FFRDC

Section C1, Sponsorship Agreement, b. CNA Mission, Purpose and Capabilities, describes CNA's mission as providing independent, authoritative research, analysis, and technical support that focuses upon the major present and future issues affecting the Navy, Marine Corps, and other DoD organizations. To accomplish this goal, CNA conducts a continuing program of research and analysis bearing on the development and application of naval and other DoD capabilities.

CNA is a non-profit organization whose purpose is to allow the government to tap the strengths of the private sector scientific community while operating for the public good. CNA provides a capability that is based on its unique ability to marry technical analytical capability with current operational experience to address DoN requirements for analysis of major issues.

CNA's scientific staff possesses a level of education and experience across a broad range of fields and disciplines which can readily be applied to naval analytical requirements and which cannot be duplicated within the DoN. CNA maintains an essential critical mass of authoritative knowledge and skills in various research areas.

b. Provisions for the Orderly Termination or Non-Renewal of the Agreement, Disposal of Assets, and Settlement of Liabilities: The responsibility for oversight of an FFRDC must be defined in such a manner that ownership of assets may be readily and equitably determined upon termination of the FFRDC's relationship with its sponsor. The contract addresses this issue in H11 Order, Termination of Orders:

- The government may terminate performance of work under any order in whole or, from time to time, in part if: (1) The contracting officer determines that a termination is in the government's interest; or (2) The contractor defaults in performing any order and fails to cure the default within ten days (unless extended by the contracting officer) after receiving a notice specifying the default. Default includes failure to make progress in the work so as to endanger performance.
- In the event that the CNA contract is terminated, in whole or in part, then CNA would proceed with the following obligations:
 - Stop work as specified.
 - Place no further subcontract or orders except as necessary to complete the continued portion of the contract and any orders not affected by the termination.
 - Terminate all subcontracts to the extent they relate to the work terminated.
 - Assign to the government, as directed by the contracting officer, all rights, titles, and interests of the contractor under the subcontracts terminated, in which case the government shall have the right to settle or to pay any termination settlement proposal arising out of those terminations.
 - With the contracting officer's approval, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts, the cost of which would be reimbursable in whole or in part, under this contract.
 - Complete performance of work not terminated.
 - Take any action that may be necessary, or that the contracting officer may direct, for the protection and preservation of the property related to this contract that is in the possession of the contractor and in which the government may acquire an interest.
 - Use its best efforts to sell, as directed or authorized by the contracting officer, any property of the types noted in the bullet above provided that the contractor: (1) Is not required to extend credit to the purchaser, and (2)

May acquire the property under the conditions prescribed by, and at prices approved by, the contracting officer.

- Any other obligations as noted in the FAR.

c. A Provision for the Identification of Retained Earnings (Reserves) and the Development of a Plan for their Use and Disposition. Section C1, Sponsorship Agreement, h. Retained Earnings, specifies the following:

- Identification of Retained Earnings. The contractor shall identify annually (or more frequently upon the request of the contracting officer) the amount of retained earnings or reserves arising from its FFRDC operations.
- Plan for the Use of Retained Earnings. The contractor shall annually (or more frequently upon the request of the contracting officer) provide a plan for the use of any retained earnings or reserves arising from its FFRDC operations. If at any time it is determined that a significant deviation will occur between the planned, reported and actual use of retained earnings, then the contractor shall notify the contracting officer.
- Previous Usage of Retained Earnings. The contractor shall annually (or more frequently upon the request of the contracting officer) provide a detailed description of the previous years usage of retained earnings or reserves arising from its FFRDC operations.
- Disposition of Retained Earnings and Assets. Upon termination of non-renewal of FFRDC sponsorship by the DoN, the contractor may use any retained earnings and assets remaining after the satisfaction of all FFRDC liabilities and obligations in a manner consistent with its status as a tax exempt organization.

d. A Provision for the Performance of Non-FFRDC Work. Non-core work may be performed by the non-FFRDC division of the CNA Corporation (CNAC), the Institute for Public Research (IPR). The following are criteria for work accepted by IPR:

- Non-FFRDC work should be in the national interest, such as addressing economic, social, or governmental issues.
- The proposed work shall not undermine the independence, objectivity, or credibility of the FFRDC by posing an actual or perceived conflict of interest, nor shall it detract from the performance of FFRDC work.
- The proposed work will not interfere with CNAC's ability to perform work in its FFRDC division in terms of quality or timeliness.

- Non-FFRDC work shall not be acquired by taking unfair advantage of CNAC's operation of the FFRDC division by inappropriately using information that is available to CNAC only through the FFRDC division.
- The proposed work is to be conducted in accordance with applicable cost accounting standards and principles employed by the FFRDC division.
- The proposed work must be fully funded by the sponsor or from fees earned by CNAC, not received by the FFRDC.
- The proposed non-FFRDC work is:
 - Performed for a non-DoD entity
 - Not directly associated with work CNA has performed in the FFRDC within the previous two years
 - Not directly associated with work anticipated for the FFRDC in the CNA Annual Plan within the next year
- Unclassified Non-FFRDC work may be performed for foreign governments provided that such work strictly complies with all export and other foreign business controls, is otherwise in the national interest, and does not undermine CNA's independence, objectivity or credibility or detracts from its FFRDC work. Non-FFRDC work may be done for the public sector and not-for-profit entities. Commercial work shall not normally be accepted; however, should the sponsor grant an exception, such work must be non-proprietary and cannot exclusively benefit any individual for profit entity.

5. Conclusions

A decision to continue the CNA FFRDC is consistent with the FAR policy used to establish the FFRDC. DoN established CNA to provide access to private sector scientific knowledge in support of DoN and other DoD decision makers. As an FFRDC, CNA enjoys a special relationship with the DoN, having access, beyond that which is common to the normal contractual relationship.

The Sponsorship Agreement complies with all applicable policy and regulatory requirements included in the FAR and the DoD FFRDC Management Plan. The Sponsorship Agreement, in conjunction with the core work statement, accurately reflects the mission of the CNA FFRDC.

List of External Audits, Reviews, and Oversight

<u>Audit</u>	<u>Agency</u>	<u>Date</u>
Contractor Insurance and Pension Review	DCMA	9/14
Property System Survey	ONR	8/14
Small Business Subcontracting Program Review	SBA	4/14
CNA Disclosure Statement 15A Review	DCAA	9/13
CNA B&P Allocation	DCAA	7/13
CNA Disclosure Statement 14A Review	DCAA	6/13
CNA Follow-up Accounting System Audit	DCAA	5/13
Purchasing System Review	ONR	4/12
CNA Disclosure Statement Revision NO. 14	DCAA	4/12
CNA Disclosure Statement Revision NO. 15	DCAA	4/12
CNA FY 2011 Floor Check	DCAA	3/12
CNA Paid Voucher Review	DCAA	3/12